

FISCAL NOTE

SB 1544 - HB 1327

March 17, 2005

SUMMARY OF BILL: Authorizes the Department of Financial Institutions to license and administer examinations to the title pledge industry. Creates a Class D felony for a title pledge lender to conduct business without a license.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$567,000

\$145,000 One-Time

\$10,600/Incarceration*

Increase State Revenues - \$617,650

Decrease Local Govt. Revenues - Exceeds \$50,000

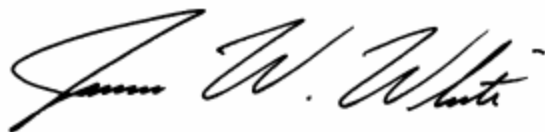
Assumptions:

- The Department of Financial Institutions would need 10 additional personnel (five loan examiners, two financial analysts, one attorney, one accountant and one consumer resources specialist).
- 1,000 licensees at an annual fee for licensing of \$500. (1,000 X \$500 = \$500,000).
- Five examiners conducting exams 85 days per year.
- 425 exam days annually at \$238 exam fee for an increase in revenues of \$101,150.
- 33 transferred licenses at the transfer fee of \$500. (33 X \$500 = \$16,500).
- Local governments license title pledge lenders and will no longer be permitted to charge the \$50 application fee.
- One felony conviction every year.

**Section 9-6-119, TCA, requires that: For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director